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OATH OR AFFIRMATION

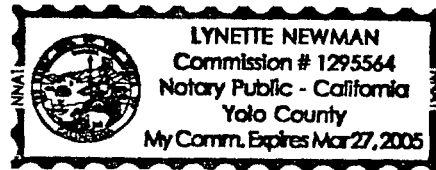
I, William B. Rudd, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Investment Planning Corporation, as of December 31, 192001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature

President

Title


Notary Public



This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Investment Planning Corporation
Financial Statements
31 December 2001

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John T. Boldrick III
CERTIFIED PUBLIC ACCOUNTANT
80 North Webster Lane
Lilliwaup, Washington 98555
ph: (360) 877-5497
fx: (360) 877-5617

Board of Directors
Investment Planning Corporation
2701 Cottage Way Ste 5
Sacramento CA 95824

I have audited the accompanying balance sheet of Investment Planning Corporation as of December 31, 2001 the related statements of income and retained earnings, stockholder's equity and cash flows for the year then ended. These financial statements re the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

My examinations were made in accordance with generally accepted auditing standards and the applicable requirements of the Securities and Exchange Commission, and accordingly, include such tests of the accounting records and other auditing procedures as I considered necessary in the circumstances. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audits provide a reasonable basis for my opinion.

In my opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Investment Planning Corporation as of December 31, 2001 and the results of its operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year



Lilliwaup, Washington
February 25, 2002

Investment Planning Corporation
BALANCE SHEET
as of December 31, 2001

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	338,625
Commissions Receivables	2,501
Prepays	6,000
Miscellaneous	<u>20,100</u>
Total current assets	367,226

EQUIPMENT (NET)	<u>14,239</u>
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Total assets	<u>\$ 381,465</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accrued Payroll Taxes	<u>1,542</u>
Total current liabilities	1,542

STOCKHOLDERS' EQUITY

Common stock, \$10 Par Value, Authorized	
1,500 Shares, Outstanding 513 Shares	5,130
Capital in Excesss of Par	727
Retained earnings	<u>374,066</u>
Total stockholders' equity	<u>379,923</u>

Total liabilities and stockholders' equity	<u>\$ 381,465</u>
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Investment Planning Corporation
STATEMENT OF INCOME & RETAINED EARNINGS
For the year ended 31 December, 2001

REVENUES

Commissions	\$ 135,769
Other	<u>10,288</u>
Total revenue	146,057

OPERATING EXPENSES

Salaries	51,210
NASD Assessment	680
Depreciation	1,775
General and administration	<u>42,390</u>
	<u>96,055</u>

Earnings from operations 50,002

Other income

Interest Income 12,195

NET INCOME before tax 62,197

Income Tax (expense) (12,126)

NET EARNINGS 50,071

Retained Earnings, January 01, 2001 323,995

Retained Earnings December 31, 2001 \$ 374,066

Investment Planning Corporation
STATEMENT OF STOCKHOLDER'S EQUITY
Year ended 31 December 2001

Balance at beginning of year	\$ 329,852
NET EARNINGS	<u>50,071</u>
Balance at end of year	\$ 379,923

The accompanying notes are an integral part of this statement

Investment Planning Corporation
STATEMENT OF CASH FLOWS
Year ended 31 December 2001

Cash flows from operating activities:

Net earnings (Loss) \$ 50,071

Adjustments to reconcile net earnings
to net cash used in operating
activities:

Depreciation 1,775

Decrease in accounts receivable 101

Increase in Prepaids (5,144)

Decrease in accrued expenses (6,759)

Net cash from operating activities 40,044

Cash flows from investing activities:

Net cash from investing activities 0

Net change in cash 40,044

Cash at beginning of year 298,581

Cash at end of year \$ 338,625

Cash paid during the year for:

Income Taxes \$ 17,380

Investment Planning Corporation
NOTES TO FINANCIAL STATEMENT
31 December 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Customer Funds

Investment Planning Corporation limits its activities to the sale of shares of regulated investment companies, term life insurance and annuities. The corporation handles no customer funds.

Transactions with related parties

Commissions earned and paid during the year result from efforts of the sole shareholder.

Depreciation Method

The company has adopted the method required by the Internal Revenue Service for both book and tax reporting. The amount expensed in fiscal year 2001 was \$1775.

NOTE 2: INCOME TAXES

Historically there have been only insignificant variances between book income and taxable income so there is no deferred tax calculation and the estimated actual liability is used as follows:

Federal Income Tax due	\$ 7,359
State Income Tax due	<u>4,767</u>
Total	12,126
Less: Estimates paid	<u>(17,239)</u>
Total Prepaid	\$ 5,113

NOTE 3: CONTINGENT LIABILITIES

The Corporation is contingently liable for rent due on leased office space. The lease commenced on 01 April 2001 and ends on 31 March 2003. At that time it is anticipated the rent will become month to month. The following is the future minimum rental payments required:

Period ended	Amount due
03/31/03	\$10,650

Investment Planning Corporation
NOTES TO FINANCIAL STATEMENT
31 December 2001

NOTE 4: NET CAPITAL

Regulatory provisions require Investment Planning Corporation to maintain a minimum net capital as defined in such provisions. Net capital of Investment Planning Corporation fluctuated within a narrow range last year. At 31 December 2001, computed in accordance with applicable provisions of Rule 15c 3-1 of the Securities and Exchange Act of 1934, as amended, Investment Planning Corporation had a Net Capital requirement of \$5,000. Net Capital of Investment Planning Corporation at 31 December 2001 as computed below was actually \$330,453. Investment Planning had no liabilities as of 31 December 2001 other than ordinary expense accruals.

Computation of Net Capital 31 December 2001

Total stockholder's equity	\$379,923
Adjustments:	
Non-allowable assets	<u>(42,839)</u>
Net Capital	\$337,084

Reconciliation of Net Capital to computation on page 10 of the form X-17A-5.

Net Capital Per Form X-17A-5 before Haircuts	\$337,084
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Computation of Net Capital

Total Ownership Equity	\$379,923
Adjustments	
Non-allowable Assets	(42,839)
Haircuts on Securities	<u>(6,631)</u>
Revised Net Capital	\$330,453

SUPPLEMENTARY REPORT ON INTERNAL CONTROL

Investment Planning Corporation
2701 Cottage Way Ste 5
Sacramento CA 95825

I have examined the financial statements of Investment Planning Corporation for the year ended 31 December 2001. As part of my examination, I made a study and evaluation of the internal control accounting system to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and Rule 17A-5 of the Security and Exchange Commission. The scope of the review and tests should be sufficient to provide reasonable assurance that any material weakness existing at the date of my examination would be disclosed. Under these standards, the purposes of such evaluations are to establish a basis of reliance thereon in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to provide a basis of reporting material weaknesses in internal control.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgement, carelessness, or other personal factors. Control procedures whose effectiveness depends on segregation of duties can be circumvented intentionally by management with respect to the estimates and judgements required in the preparation of the financial statements. Further, projections of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with such procedures may deteriorate.

Investment Planning Corporation is not engaged in a general securities business. The registrant limits its activities to the sale of shares of regulated investment companies, life insurance and annuities. In consummating these sales, the customers make their checks payable to the distributors or custodian of the fund or insurance company. Annuities, when received by the registrant are immediately delivered to the consumers in person or by mail. In mutual fund plan

Investment Planning Corporation

25 February 2002

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accounts, the distributor or custodian holds the shares and accounts directly to the customer on a periodic basis.

My study and evaluation of the system of internal accounting control for the year ended 31 December 2001, which was made for the purposes set forth above, and would not necessarily disclose all weaknesses in the system which may have existed during the period under review, disclosed no weaknesses that I believe to be material for the size of the operation.

THE COMMISSIONER OF CORPORATIONS OF
THE STATE OF CALIFORNIA

VERIFICATION FORM PURSUANT TO

RULES 260.241.2(b) AND 350.535.1(b)

(Executed Within the State of California)

I, William B. Rudd, certify under penalty of perjury,
that I have read the foregoing and annexed financial report
and supporting schedules and know the contents thereof;
that the same are true and correct to the best of my
knowledge and belief; and that neither the licensee nor
any partner, officer, or director thereof have any
proprietary interest in any account classified solely as
that of a customer.

Executed this _____ day of February, 2002 at Sacramento,
California.

(Signature of person signing report)

President

(Title of person signing report)

Investment Planning Corporation
(Name of Licensee)

272-7721-9
(File Number)